

Phase Eight

MODERN SLAVERY ACT 2015

PHASE EIGHT TRANSPARENCY STATEMENT

2019 (FY 2018-2019)

This statement is made pursuant to section 54 of the Modern Slavery Act 2015. It sets out the steps Phase Eight has taken during the 2018/19 financial year (the “Year”) to prevent slavery and human trafficking from taking place in our supply chains or in any part of our business, and the additional steps we plan to take in 2019.

WHAT IS MODERN SLAVERY?

About 150 years after most countries banned slavery millions of men, women and children are still enslaved. Contemporary slavery, as defined in the 1956 UN supplementary convention, takes many forms, including debt bondage, servitude, child slavery, forced labour and human trafficking. Anti-Slavery International defines Modern Slavery as exploitative labour that places one person in the control of another.

Slavery thrives on every continent and in almost every country, and is still prevalent in the fashion industry and other labour-intensive industries.

Modern Slavery is a violation of human rights where victims are denied their basic rights to dignity, freedom and security. Victims are trapped in a situation where they are often powerless and vulnerable, and therefore unable to leave because they are subject to deception, mental and/or physical abuse, threats and punishment.

ABOUT TFG LONDON

Headquartered in London, TFG London is owned by The Foschini Group Limited (“TFG”), a leading publicly listed South African retail group. TFG first entered the UK market (forming TFG London) through the acquisition of the premium womenswear brand Phase Eight in January 2015. Since then the premium womenswear brands Whistles, Hobbs, Damsel in a Dress and Studio 8 have been added to the Group.

Each brand focuses on a different customer and style, from the contemporary designs at Whistles to understated British elegance at Hobbs and exclusive occasion and daywear collections at Phase Eight with 200 UK solus stores, 450 UK concessions and 250 International stores, concessions & online partners.

TFG London employs 141 people who work across all brands, both in Head Office and Retail Concessions.

| Location | Number of Employees |
|--------------------|---------------------|
| Head office | 25 |
| Retail Concessions | 115 |

Due to supply chain complexities, each brand publishes their own Modern Slavery statement, outlining the nature of their operations and supply chains, providing an overview of the steps they have taken to combat Modern Slavery.

ABOUT PHASE EIGHT

Founded In 1979, Phase Eight is a premium British womenswear brand producing clothing, footwear and accessories. Phase Eight has two sister brands, Studio 8 launched in 2015 and Damsel in a Dress relaunched in 2017.

Based in the UK, Phase Eight is headquartered in London with its customer services operations and Distribution Centre (DC) based in Rochester. Phase Eight's DC is operated by a third party logistics company.

Phase Eight has a strong international retail presence, operating in 10 territories across 403 solus stores and concessions.

Phase Eight employs 2,275 people as detailed below.

| Location | Number of Employees |
|----------------------------|---------------------|
| Headquarters | 318 |
| Distribution Centre | 101 |
| Retail Sites (UK & ROI) | 1550 |
| International Retail sites | 306 |

Phase Eight manufactures its own brand products through a global network of 78 external suppliers; 42 direct suppliers and 36 agents in 155 first tier production sites. Further to its tier one suppliers, Phase Eight has partially mapped its second tier 'primary process' suppliers providing processes such as stitching, cutting, quality control and packing. Phase Eight does not have direct relationships with these suppliers and are managed via its tier one suppliers.

Phase Eight sources its fabrics, components and raw materials through the same network.

Phase Eight's top 5 sourcing countries are China, Romania, Turkey, India and Greece, representing 90% of purchasing volumes delivered in 2018.

In addition to its own brand products, Phase Eight stocks products by third party brands, sold online. All third party brands are required to submit a Self-Assessment Questionnaire (SAQ) to assess ethical suitability and ensure both parties are aligned.

OUR SUPPLY CHAIN

Phase Eight is committed to ensure its supply chains promote safe, fair and legal working conditions. We expect our business, suppliers and third party brands to abide by local laws, international labour and human rights standards in all countries we and they operate.

Our supply chain is divided into two-channels;

Own Operations

(Non-stock items and services)

Non stock items and services such as customer deliveries, logistics, IT, cleaning and catering

Products for re-sale

Own brand products sold online and in-store

Third party brands' products' sold online

OWN OPERATIONS (NON-STOCK ITEMS AND SERVICES)

Phase Eight's non-stock products and services are managed by its procurement team and supported by the CSR & Sustainability team, as well as the Legal team.

Services include logistics, facilities maintenance, catering and cleaning.

In addition, Phase Eight's DC is owned and operated by MIQ Logistics by a third party logistics company based in the UK, employing 101 people.

PRODUCTS FOR RE-SALE

Phase Eight's own-brand products are designed and developed at its headquarters in London and manufactured through an established global network of external suppliers.

Phase Eight's sourcing landscape is collaboratively managed by the Buying, Technical, Merchandising and Design departments with the support of the Corporate Social Responsibility (CSR) and Sustainability team, collectively referred to as the Sourcing team.

In October 2018, TFG London introduced a CSR & Sustainability team to establish an ethical trade and sustainability strategy. With an independent view point, the team are tasked with supporting the wider sourcing team to ensure all own-brand product and raw material suppliers are selected on ethical and sustainable merit in addition to commercial requirements.

Phase Eight's supply chain is defined as follows

| Tier | Definition | Example | Status |
|------|---------------------------------|--|------------------|
| 1 | Main Production Sites | A factory that cuts, makes and trims Phase Eight product, shipping directly to Phase Eight | Mapped |
| 2 | Primary Process Subcontractor | A provider of one or more processes such as, stitching, cutting, packing and QC, shipping to Phase Eight | Partially Mapped |
| 3 | Secondary Process Subcontractor | A provider of one or more processes such as, stitching, cutting, packing and QC, embroidery, dyeing, shipping to Phase Eight | Not Mapped |
| 4 | Fabric and Components | Fabric mills, Tanneries, hardware and trims | Not Mapped |
| 5 | Raw Materials | Textile fibres, natural and synthetic materials | Not Mapped |

POLICIES

As part of Phase Eight's evolving ethical trade efforts, the business adopted operational policies at group level in 2017, with the view of respecting, protecting and remedying the human and labour rights of all that work on our behalf. The group policy strategy is based on the UN Guiding Principles on Business and Human Rights (UNGPs) and the ETI Human Rights Due Diligence Framework.

Phase Eight's core policies relating to our commitment to adopting the UNGPs, to benefit all those who work on behalf of Phase Eight are our **Supplier Code of Conduct**, **Migrant Workers Employment Policy and Implementation Guidelines** and the **Young Worker and Child Labour Policy**.

Phase Eight's supplier code of conduct is aligned with the Ethical Trading Initiative base code, with elements of the SA1000 Standard:2014. It outlines the minimum social and environmental standards we expect each factory to meet and our expectations regarding the conditions in which our products should be manufactured.

Our Migrant Worker Employment Policy and Implementation Guidelines set out the supplier requirements to protect, respect and remedy the rights and welfare of migrant and contract workers, some of the most vulnerable to exploitation and modern slavery. Within this policy, Phase Eight endorses the **Employer Pays Principle**, which reflects the **Dhaka Principles for Migration with Dignity**.

Our Young Worker and Child Labour Policy prohibits the recruitment of child workers in our supply chains and outlines remediation guidelines.

Finally other policies that are also related to the prevention of modern slavery are our anti-bribery policy, whistleblowing policy, equal opportunity policy and our compliance handbook.

To date, all suppliers have received and are signed up to Phase Eight's operational policies.

DUE DILIGENCE

OUR GOVERNANCE

The Managing Director and Phase Eight Board of Directors are responsible for ensuring Phase Eight meets its human rights responsibilities. They are supported by the CSR & Sustainability team and sourcing team.

RISK ASSESSMENT AND MANAGEMENT

Phase Eight faces human rights risks in its supply chain and as such, we have identified key elements that pose risks of modern slavery. These include migrant labour, high presence of refugees, young workers and a risk of the use of child labour, contract and temporary workers, women workers and outsourced recruitment agencies.

We recognise our own operations may have one or more of these modern slavery risks and to gain greater visibility, we are mapping our non-stock suppliers. Reflecting the key elements that pose risks of modern slavery; logistics, facilities maintenance, catering and temporary workers have been prioritised.

Phase Eight endorses a holistic approach to its risk assessment and acknowledges that each area is part of a wider due-diligence process that works to harmonise our approach. Our current risk prioritisation is focused on the

manufacturing of our own brand products and the below outlines some of the steps we have taken to mitigate and manage human rights risks in our supply chain.

Mapping our supply chain is an essential piece of work in managing and mitigating risk. In 2018 and with the support of the CSR & Sustainability team, Phase Eight revisited and enhanced its mapping efforts, detailing the labour landscape of our supply chain and obtaining key data about the workforce such as age, gender, migration, temporary and homeworking and worker representation. Although we acknowledge that the nature of supply chains is to continuously evolve, we are working towards long lasting and meaningful partnerships with our suppliers, enabling us to foster a culture of transparency and continue to map beyond tier one.

As a recent integrated business practice, all new suppliers are assessed based on their ethical credentials, in addition to commercial requirements. Suppliers are required to submit a Self-Assessment Questionnaire (SAQ) and sign up to our core policies (as detailed above). Together, these documents outline our expectations and requirements, and in return, allow us to review key labour practices. We also require a third-party factory audit, verifying the information disclosed in the SAQ. Should an issue be present, this is highlighted to the sourcing team, leading to the overall sourcing decision and supplier strategy going forward.

Phase Eight have been members of Sedex since 2016 and utilise the platform to share and exchange audit data.

Utilising its position within TFG London, and as part of our on-going risk assessment and sourcing strategy, Phase Eight engages with other stakeholders, working together to build leverage and find common solutions to salient issues. This includes reviewing shared intelligence on Modern Slavery risks, how to manage and mitigate and provide remedy in instances of abuse.

In an effort to increase presence on the ground at factory level, Phase Eight has adopted material used to engage with suppliers regarding their working environment and labour practices. The material is designed to raise awareness of the key elements that pose Modern Slavery risks, such as recruitment practices, employment types and skillsets, while capturing current practices and outlining recommendations where needed. Attended by the Technical team and supported by the CSR team, the material is completed during an opening meeting and factory tour, allowing for a well-rounded collaborative approach, considering product type, production processes and general site management.

TRAINING

The Modern Slavery Act is an opportunity to embed a greater understanding of human rights within our supply chain and extend awareness internally. We are committed to improve our approach and this year Phase Eight will adopt a TFG London e-learning module covering Modern Slavery risks. This will be distributed across the wider business and sourcing team.

NEXT STEPS

Phase Eight is committed to advancing its approach to ethical trade and mitigating Modern Slavery risks.

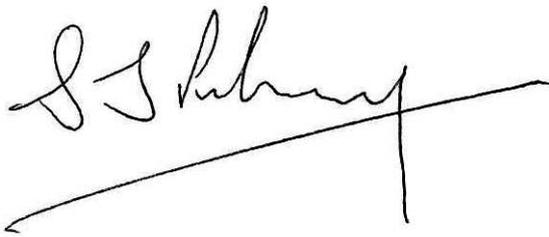
This year we will continue to focus on transparency, mapping second and third tier 'secondary process' suppliers and fully map our own operations to include all non-stock suppliers.

In January 2019 Phase Eight became members of the Ethical Trading Initiative (ETI) and joined like-minded brands, focusing on implementing ethical sourcing practices. Phase Eight will use ETI's multi-stakeholder platform to collaborate and get involved in working groups and initiatives to further mitigate and manage its approach to risk assessment.

Advancing our efforts on the ground, going forward a representative from the CSR & Sustainability team will accompany the members of the sourcing team during factory visits, directly engaging with suppliers on key elements that pose risks of Modern Slavery while reviewing current working environments and labour practices.

Finally, Phase Eight will develop KPIs, detailing the Modern Slavery risks we have identified, the steps we've taken to mitigate these and our future commitment.

This statement was approved by the Phase Eight Board of Directors

A handwritten signature in black ink, appearing to read 'S Pickering', with a long horizontal line extending from the end of the signature.

Simon Pickering, Managing Director

March 2019

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